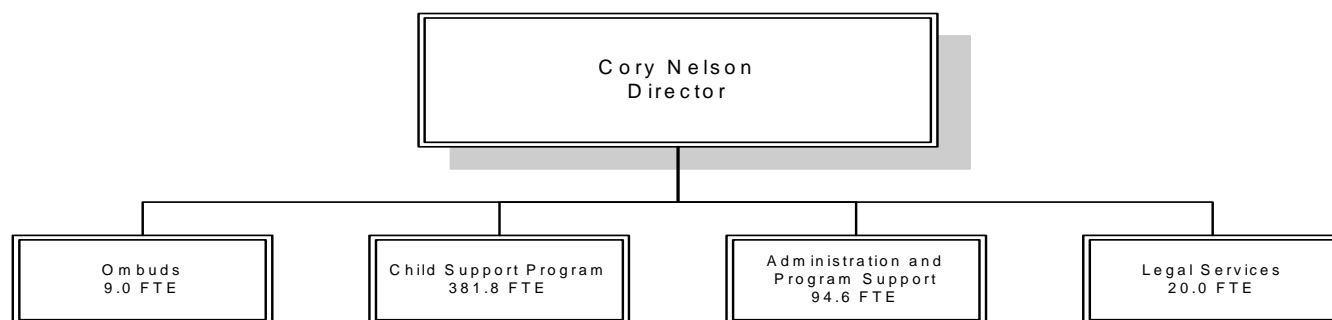


Child Support Services Cory Nelsen

MISSION STATEMENT

The County of San Bernardino Department of Child Support Services determines paternity, establishes and enforces child support orders, and issues payments to assist families in meeting the financial and medical needs of their children. We provide timely and effective service in a professional manner.

ORGANIZATIONAL CHART



DESCRIPTION OF MAJOR SERVICES

The County of San Bernardino Department of Child Support Services (DCSS) administers the federal and state Title IV-D Child Support Program. DCSS promotes the well-being of children and the self-sufficiency of families by providing child support assistance efficiently, effectively and professionally.

By establishing and enforcing child support orders, DCSS fosters a sense of parental responsibility that enhances the lives of San Bernardino County children. Basic program activities include locating absent parents, establishment of paternity, establishment of support orders pursuant to state guidelines, enforcement of support obligations, modification of support obligations when needed, and collection and distribution of support payments.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Appropriation	38,845,942	39,889,326	39,896,949	41,478,447
Departmental Revenue	38,869,853	39,889,326	37,293,576	38,694,021
Local Cost	(23,911)	-	2,603,373	2,784,426
Budgeted Staffing		565.0		506.4

Workload Indicators

Average Collections Per Month	10,831,461	11,250,000	11,908,100	12,666,667
New Cases	28,904	29,500	29,948	30,900
Total Cases	162,785	160,000	159,055	152,200
Cases per Officer	733	842	824	825

SALARIES AND BENEFITS:

As of March 31, 2004, the department has spent \$20,970,127, which is 74% of its salaries and benefits allocation. In comparison to final budget the department projects a savings of \$1.6 million. Due to funding reductions of \$1.3 million, the department projects expenditures for salaries and benefits to be unspent by approximately \$289,102. The savings was achieved through greater than anticipated attrition.



The State Department of Child Support Services has scheduled the San Bernardino County DCSS for conversion to a new interim Child Support Enforcement System (CASES) by February 2005. This county's conversion to CASES is part of the State's plan to eliminate the federal penalties imposed on the state, a portion of which are now being paid by the counties. The Department expects to receive a conversion budget from the State in late May, for fiscal year 2004-05, and will be submitting a mid-year board item early next fiscal year to increase appropriation and revenue.

SERVICES AND SUPPLIES:

Through March 31, 2004, services and supplies trends are showing the department below target for this fiscal year with spending at 67% of allocation. Expenditures are expected to be under budget by approximately \$755,250. This is mainly due to two factors:

1. The reduction in staffing facilitated the decrease in communication costs, training, utilities, office supplies, and professional services.
2. The reductions in IRS take back charges in special department expense object code. Each year the IRS sends the department income tax refunds of delinquent parents that owe child support. If refunds are sent in error the department must return the funds to the IRS. Due to a change in the IRS tracking method for recoveries the department anticipates returning only \$206,000, which is \$600,000 less than budget.

The State of California is currently paying a \$194.8 million annual penalty to the federal government for failure to meet child support automation requirements. Beginning in the State Fiscal Year 2003-04 Budget, the State Department of Finance is allocating up to 25% of this penalty to counties. The County of San Bernardino's share is \$2,603,373. On September 23, 2003 in the State Budget Reduction Impacts and Adjustments item presented to the Board (item #65), the County Administrative Office requested to have appropriations and local cost increased to reimburse the state for the county's share of the penalty. To date, the county has paid \$1,301,687, and will pay an additional \$1,301,687 by June 1, 2004.

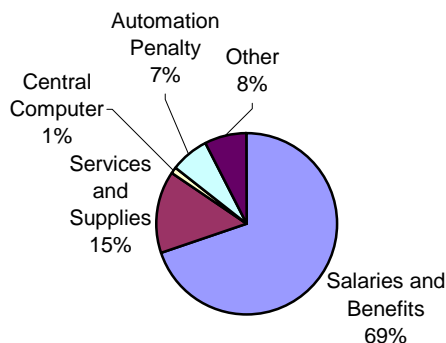
INTER-FUND TRANSFERS:

Costs in this area are expected to be fully expended with the exception of approximately \$198,606, which reflects savings that are primarily related to the department's decision to vacate a Redlands facility that was leased from AAA DPA.

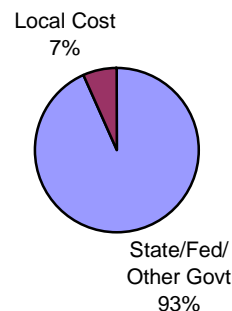
REVENUE:

The Department of Child Support Services is a reimbursement program administered by the State Department of Child Support Services and is backed by State and Federal funding. All allowable costs of the program are 100% funded through these sources. Due to federal law the county must pay the Child Support automation penalty with local funds, which is estimated to be \$2.6 million this year.

2004-05 BREAKDOWN BY EXPENDITURE AUTHORITY



2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Human Services System
DEPARTMENT: Child Support Services
FUND: General

BUDGET UNIT: AAA DCS
FUNCTION: Public Protection
ACTIVITY: Child Support

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
Appropriation								
Salaries and Benefits	27,810,039	29,451,933	654,092	-	-	30,106,025	(1,213,788)	28,892,237
Services and Supplies	8,780,047	6,931,924	241,565	-	2,784,426	9,957,915	(983,590)	8,974,325
Central Computer	361,631	361,631	89,626	-	-	451,257	-	451,257
Transfers	<u>2,945,232</u>	<u>3,143,838</u>	-	-	-	<u>3,143,838</u>	<u>16,790</u>	<u>3,160,628</u>
Total Appropriation	39,896,949	39,889,326	985,283	-	2,784,426	43,659,035	(2,180,588)	41,478,447
Departmental Revenue								
State, Fed or Gov't Aid	37,225,850	39,889,326	985,283	-	-	40,874,609	(2,180,588)	38,694,021
Other Revenue	<u>67,726</u>	-	-	-	-	-	-	-
Total Revenue	37,293,576	39,889,326	985,283	-	-	40,874,609	(2,180,588)	38,694,021
Local Cost	2,603,373	-	-	-	2,784,426	2,784,426	-	2,784,426
Budgeted Staffing		565.0	(23.0)	-	-	542.0	(35.6)	506.4

STAFFING CHANGES

The salaries and benefits appropriation is reduced by \$559,696 to reflect a reduction of 58.6 budgeted positions at a cost of \$2,409,093 offset by MOU-related increases of \$1,849,397. **The reduction will be managed through attrition and no layoffs are anticipated.**

The State Department of Child Support Services has scheduled the San Bernardino County DCSS for conversion to a new interim Child Support Enforcement System (CASES) by February 2005. This county's conversion to CASES is part of the State's plan to eliminate the federal penalties imposed on the state, a portion of which are now being paid by the counties. The Department expects to receive a conversion budget from the State in late May, for fiscal year 2004-05, and will be submitting a mid-year board item early in the fiscal year to increase appropriation and revenue.

The net reduction of 58.7 budgeted positions consist of: (2) Chief Clerks, (2) Child Support Field Investigators, (4.7) Child Support Officer Is, (2.8) Child Support Officer IIs, (25) Clerk IIs, (3.5) Clerk IIIs, (1) Clerk IV, (1) Chief, Child Support, (3.4) Fiscal Clerk IIs, (3) Investigative Technician Is, (1) Secretary I, (2) Staff Aides, (1) Child Support Attorney I, (6.1) Child Support Assistants, and (0.2) Supervising Child Support Officer.

PROGRAM CHANGES

The Services and supplies budgeted appropriation increased by \$2 million. Appropriations were increased by \$2.7 million to allow the county to pay the Federal Automation Penalty. Therefore, there is a **net decrease** in services and supplies of \$742,025. The penalty was imposed by the federal government due to California's failure to meet federal child support automation requirements. This penalty will be paid each year until a statewide automated system is in place. It is anticipated that an interim automated system will be in place by September 2005 with a more permanent system in place 2 years later. On September 23, 2003 in the State Budget Reduction Impacts and Adjustments item presented to the Board (item #65), the County Administrative Office requested to have appropriations and local cost increased to reimburse the state for the county's share of the penalty. In FY2004-05 the department will again be given local cost totaling \$2.8 million to cover this penalty.

Intra-fund transfers increased by \$16,790, primarily due to an increase in charges to HSS Information Technology for staffing costs.

There are no fixed assets budgeted for FY 2004-05.

Child Support is a reimbursement program backed by 100% state and federal funding and revenues have been adjusted to reflect actual expenditures.



DEPARTMENT: Child Support Services
 FUND: General
 BUDGET UNIT: AAA DCS

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2003-04 FINAL BUDGET	565.0	39,889,326	39,889,326	-
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	1,849,397	1,849,397	-
Internal Service Fund Adjustments	-	331,191	331,191	-
Other Required Adjustments	(23.0)	(1,195,305)	(1,195,305)	-
Subtotal	(23.0)	985,283	985,283	-
Impacts Due to State Budget Cuts	-	2,784,426	-	2,784,426
TOTAL BASE BUDGET	542.0	43,659,035	40,874,609	2,784,426
Department Recommended Funded Adjustments	(35.6)	(2,180,588)	(2,180,588)	-
TOTAL 2004-05 PROPOSED BUDGET	506.4	41,478,447	38,694,021	2,784,426

SCHEDULE B

DEPARTMENT: Child Support Services
 FUND: General
 BUDGET UNIT: AAA DCS

IMPACTS DUE TO STATE BUDGET CUTS

Brief Description of State Budget Cuts	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
Federal Automation Penalty		2,784,426	-	2,784,426
The State of California is currently paying a \$194.8 million annual penalty to the federal government for failure to meet child support automation requirements. Beginning in the State fiscal year 2003-04 Budget, the State Department of Finance is allocating up to 25% of this penalty to counties. The County of Sanbernardino's share is \$2,784,426. On September 23, 2003 in the State Budget Reduction Impacts and Adjustments item presented to the Board (item #65), the CAO requested to have appropriations and local cost increased to reimburse the State for our county's share of the penalty.				
Total	-	2,784,426	-	2,784,426



SCHEDULE C

DEPARTMENT: Child Support Services
 FUND: General
 BUDGET UNIT: AAA DCS

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
1. COWCAP Reduction Reduction made in the County-wide Cost Allocation Plan.	-	(108,767)	(108,767)	-
2. Salary & Benefit Reduction Staffing reduction due to MOU and other cost increases.	(35.6)	(1,213,788)	(1,213,788)	-
3. Services and Supplies Reduction in services and supplies due to staffing reduction.	-	(874,823)	(874,823)	-
4. Increase in Transfers Increase in salary and benefit costs for staff in AAA DPA that perform IT and other support functions for the department.	-	16,790	16,790	-
Total	(35.6)	(2,180,588)	(2,180,588)	-

